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Department of  
Veterans Affairs

# Information Bulletin

Date April 2, 2001

Loan Guaranty Letter 01-7  
264-4

SUBJ: Internet Training Program on VA Credit Standards

1. PURPOSE. To announce a new free Internet training program on VA Credit Standards.

2. BACKGROUND. The VA Credit Standards (see *Lenders Handbook, VA Pamphlet 26-7, Revised, Chapter 4*) are the essential guidance for underwriting VA home loans. Private sector loan underwriters and VA loan specialists need a thorough and comprehensive understanding of these standards in order to process or review VA home loans. In order to provide consistent training in VA Credit Standards, Loan Guaranty Service will be making available on April 2, 2001 a new free self-paced course on the Internet entitled "**Hometown USA: VA Credit Standards.**" The course includes lessons on the following topics:

- a. Overview of VA Home Loan Credit Standards
- b. Overview of the Loan Analysis Form.
- c. Eligibility
- d. Type of Loan
- e. Certificate of Reasonable Value
- f. Loan Amount
- g. Assets
- h. Monthly Payments
- i. Debt and Credit History
- j. Income
- k. Residual Income
- l. Debt-to-Income Ratio
- m. Render Final Decision

3. TRAINING FOR VA-APPROVED UNDERWRITERS. *The Lenders Handbook* (par. 1.07) states, “**All VA-approved underwriters must be familiar with VA’s credit underwriting standards....**” and the same paragraph requires that:

“All VA-approved underwriters must attend a 1-day (8 hour) training course on underwriting responsibilities, VA underwriting requirements, and VA administrative requirements, including the usage of VA forms, within 90 days of approval. If the VA office of jurisdiction is unable to make such training available within 90 days, the underwriter must attend the first available training. This training is required of **all** underwriters whether approved based on experience or based on an ARU designation. It is also required of underwriters who have not underwritten VA guaranteed loans in the past 24 months. Underwriters who consistently approve loans that do not meet VA credit standards may be required to retake this training.”

The new web based training program, successfully completed, will fulfill the above training requirement.

#### 4. HOW TO TAKE THIS COURSE ON THE INTERNET

a. Beginning April 2, 2001, lender employees may access the course at <http://homeloans.va.gov/train.htm> using any standard Internet browser. Users will be asked to login using their e-mail address as a password. They will subsequently be asked to enter their name and the 10-digit Lender Identification Number assigned to their company by VA. All instructions on how to take the course will be presented on-screen.

b. Paper-based course materials will need to be downloaded and printed at certain points within the course. This course will take the average user approximately 8 hours to finish, and can be completed at the user’s own pace and convenience.

c. At the conclusion of the course there is a final examination. When the user passes the final exam the program will print out a certificate of completion. The student’s supervisor should sign the certificate of completion, attesting that the student completed the final exam personally and without assistance. This certificate will be retained as proof of successful completion of the training. VA will also be able to verify successful completion of the course by means of the program’s software.

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Loan Guaranty Officer

Distribution: Program Participants